



Tony Knowles, Governor

## Department of Community and Economic Development

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April 6, 2001

Dear Reader:

This is the draft report of the Department of Community and Economic Development (DCED) on the amended petition to incorporate the City of Talkeetna. The proposed city boundaries encompass 24 square miles.

DCED has recommended that the Local Boundary Commission approve the amended petition.

If the amended petition is approved by the Local Boundary Commission, voters registered within the area proposed for incorporation would be permitted to approve or reject city incorporation at an election. However, the Local Boundary Commission is not constrained by DCED's recommendation.

Your comments on DCED's preliminary report are most welcome. **To be considered in the course of preparing DCED's final report on the amended Talkeetna city incorporation proposal, comments on the draft report must be received by DCED no later than **May 7, 2001**.** Please send your comments by mail or fax to the Anchorage office listed on the letterhead.

Cordially,

Patrick K. Poland  
Director

# ACKNOWLEDGMENTS

This preliminary report was prepared under the policy direction of

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- Lamar Cotten, Rural Development Manager, DCED, and
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- Eric Hestnes, Correspondent,
- Kristine Hestnes, Correspondent,
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- Beth McKibbin, Matanuska-Susitna Borough,
- Joe Page, Alternate Petitioners' Representative,
- Bill Rolfzen, DCED,
- Michael Scott, Former Manager, Matanuska-Susitna Borough,
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- Doug Smith, Correspondent,
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- Ellen Wolf, Correspondent.

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# INTRODUCTION & BACKGROUND

## Section 1.1 • Introduction

On March 25, 1998, fifty-two registered voters in Talkeetna, a community of 758 residents in the Matanuska-Susitna Borough (MSB), filed a petition with the former Department of Community and Regional Affairs<sup>1</sup> to incorporate a home rule city with boundaries encompassing 23-square miles. The Petitioners originally proposed incorporation ballot propositions authorizing the City to levy a 3.5 mill property tax upon real property, a 4% seasonal sales tax, and a 15% bed tax for facilities with more than fifty beds. The Petitioners further requested that incorporation be conditioned upon voter approval of the seasonal sales tax.

<sup>1</sup> On July 1, 1999, the former Department of Community and Regional Affairs (DCRA) was merged with the former Department of Commerce and Economic Development, creating the Department of Community and Economic Development (DCED). Thus, staff support functions prior to July 1, 1999 may refer to "DCRA". Subsequent to the departmental merger, the regulations regarding city incorporation standards and procedures contained in the Alaska Administrative Code were renumbered. For example, the former 19AAC 10.640(a) is now referenced as 3AAC 110.640(a).

## Section 1.2 • Proceedings to Date

On April 17, 1998, the former DCRA completed its technical review of the petition in accordance with AS 29.05.070, and accepted the petition for filing.

### Deadline for Filing of Briefs Established

Pursuant to 3 AAC 110.640, the LBC Chairperson established June 19, 1998, at 5:00 p.m., as the deadline for filing responsive briefs and comments regarding the original petition. Public notice of the filing of the petition was initially published in a newspaper of general circulation on April 24, 1998. Notice of the petition filing was posted by the Petitioners' representative at four locations within the territory proposed for incorporation on April 1, 1998.

### Notice of Filing Given

Public notice of the filing of the petition was given in accordance with the requirements of 3 AAC 110.450. Specifically, notice was given as follows:

On April 23, 1998, notice of the filing of the petition was mailed by DCRA to forty-seven agencies and individuals. Additionally, notice was prominently posted in 8.5-inch by 11-inch format at the following locations in the area proposed for city incorporation:

- ◆ Post Office bulletin board;
- ◆ Nagley's Store bulletin board;
- ◆ the Latitude 62 bulletin board;
- ◆ Talkeetna Library.

The notice remained posted at the locations noted for at least fourteen consecutive days from the date of posting.



Nagley's Store located in Talkeetna townsite.

On April 24, 1998, May 1, 1998, and May 8, 1998, notice was published in the *Frontiersman* as a display advertisement 2-columns wide and 6-inches long.

On May 1, 1998, notice of the filing was mailed or hand delivered by the Petitioners to ten potentially interested individuals and organizations designated by DCRA.

### **Petition Served on Interested Parties**

On May 4, 1998, the Petitioners served a copy of the original petition on the MSB in accordance with 3 AAC 110.640(a).

### **Petition Made Available for Public Review**

Pursuant to 3 AAC 110.640(b), a copy of the complete original petition documents was made available for public review at the Talkeetna Library beginning April 30, 1998.

### **First Informational Meeting**

AS 29.05.080 and 3 AAC 110.520 require DCED to conduct at least one public informational meeting in the territory proposed for incorporation. DCED staff conducted a public informational meeting on the incorporation proposal at the Talkeetna Elementary School Gymnasium on May 27, 1998. The meeting began at approximately 7:10 p.m., and concluded at approximately 9:35 p.m.

Approximately thirty-eight individuals attended the May 27, 1998 informational meeting. Participants included the Petitioners' representative and alternate representative. The meeting was broadcast live on local radio station KTNA and rebroadcast the following week.

## Timely Comments Filed

Written comments concerning the March 25, 1998 petition were submitted by the following parties prior to the June 19, 1998 deadline for submission of such comments:

1. **Art Wettannen**, Talkeetna resident (a 1-page letter in opposition to the petition);
2. **Murray Nash**, Talkeetna resident (a 1-page letter in opposition to the petition);
3. **David Lee**, Talkeetna resident (a 1-page letter in opposition to the petition);
4. **R. Dennis Brandon**, Cook Inlet Region, Inc., (a 1-page letter in opposition to the petition);
5. **Ellen Wolf**, representing Concerned Citizens of Talkeetna, (a 2-page letter in support of the petition);
6. **Mark J. Dolecki**, Talkeetna Spur road resident, (a 1-page letter in opposition to the petition);
7. **R. A. Long**, a Talkeetna resident and property owner (a 1-page letter in opposition to the petition);
8. **Two similar petitions** signed by Talkeetna 253 individuals.<sup>2</sup> (Including 161 signatures of voters inside the proposed City of Talkeetna boundary and twenty-two registered to vote in the greater Talkeetna area but outside the proposed City of Talkeetna boundaries.)

<sup>2</sup> One of the two petitions stated "WE, THE UNDERSIGNED RESIDENTS OF THE COMMUNITY OF TALKEETNA, WISHTO GO ON RECORD AS OPPOSED TO THE INCORPORATION OF THE COMMUNITY OF TALKEETNA. WE DO NOT WANT TO BE INCLUDED." The second petition stated "WE, THE UNDERSIGNED RESIDENTS OF THE AREA SOUTH OF THE RAILROAD CROSSING AT THE ENTRANCE OF THE COMMUNITY OF TALKEETNA, AND CONTINUING SOUTH TO ANSWER CREEK, WISH TO GO ON RECORD AS OPPOSED TO THE INCORPORATION OF THE COMMUNITY OF TALKEETNA. WE DO NOT WANT TO BE INCLUDED."

<sup>3</sup> MSB June 19, 1998 Responsive Brief, at 26.

## Responsive Brief Filed

On June 19, 1998, the Matanuska-Susitna Borough filed a 26-page responsive brief with nineteen exhibits. Since the June 19, 1998 brief was supplemented by two additional submissions by the respondent, that document may be referred to as the "original responsive brief." The Matanuska-Susitna Borough is the sole Respondent regarding the Talkeetna incorporation petition.

The summary portion of the original MSB brief stated, in part, that "*the proposed petition for incorporation of the city of Talkeetna requires supplementation as noted in the borough's response and can not be granted as proposed . . .*" and opines "*. . . the petition as presented does not establish how the commission may grant it in light of the constitution, state statute, and the regulatory factors applicable to the incorporation of a home rule city.*"<sup>3</sup> The Respondent addressed several deficiencies in the petition, including:

- ◆ issues relating to maximum local self government with a minimum of local governmental units;
- ◆ issues associated with the disruption of existing borough service areas;
- ◆ perceived deficiencies in the proposed budget of the city;

- ◆ issues relating to whether the MSB is providing services that the city could provide.

### Respondent Rights

Respondents are entitled to certain rights and privileges in this proceeding. These consist of entitlements to:

- ◆ service of a copy of the Petitioners' reply brief;
- ◆ individual notice of DCED's informational meetings;
- ◆ DCED's provisional report and recommendation;
- ◆ DCED's final report and recommendation;
- ◆ service of any amendments to the petition;
- ◆ notice of LBC hearings on the proposal;
- ◆ opportunity to make an opening statement, call witnesses, and make a closing statement at the LBC hearings;
- ◆ service of the LBC decisional statement;
- ◆ opportunity to file a brief supporting or opposing any requests for reconsideration.



*Matanuska-Susitna Borough headquarters in Palmer*

### Petitioners' Reply Brief Filed

On August 3, 1998, the Petitioners filed a 4-page reply brief pursuant to former 19AAC 10.490 in reply to the responsive briefs and comments. A copy of the reply brief was served on the Matanuska-Susitna Borough on August 3, 1998.

### Supplement to Responsive Brief Filed

On September 21, 1998, the MSB submitted a 5-page supplement to its June 19, 1998 responsive brief, with seven pages of attachments. The LBC extended to the Respondent the opportunity to supplement its brief because the Petitioners had been allowed an extended period to submit a reply to the original MSB responsive brief.

### Petitioners' Reply to MSB Supplement to Responsive Brief Filed

On October 3, 1998, the Petitioners filed a 2-page reply to the Respondent's September 21, 1998 supplementary submission.



## **First Preliminary Report Issued**

On December 7, 1998, DCRA issued a 54-page draft report on the petition. The deadline for comment upon the draft report was 5:00 p.m., January 7, 1999.

## **Comments On December 7, 1998, DCRA Draft Report**

Eleven timely letters were submitted to LBC staff regarding the first draft report. Letters were submitted by the following parties:

- ◆ Susan Kellard, January 5, 1999;
- ◆ Rose M. Jenne, January 5, 1999;
- ◆ Roberta Sheldon, Chairperson, Talkeetna Community Council, January 6, 1999;
- ◆ Art Wettannen, January 6, 1999;
- ◆ Robin Jenne & Warren Spaulding, January 6, 1999;
- ◆ Phyllis M. Bays, January 6, 1999;
- ◆ Ellen M. Wolf, January 7, 1999;
- ◆ Raymond MacDonald, January 6, 1999;
- ◆ Elaine Tobias, January 6, 1999;
- ◆ Brenda Besece & Carl Besece, January 6, 1999;
- ◆ Matanuska-Susitna Borough, January 7, 1999.

## **Second Informational Meeting**

At the request of the Petitioners' Representative, on March 24, 1999, LBC staff conducted a second public informational meeting in Talkeetna. At the March 24 meeting, LBC staff provided information regarding the Petitioners' options to amend or withdraw the incorporation petition. The meeting was broadcast live on KTNB radio. About thirty people attended the two-hour meeting. At that meeting, there was extensive discussion of 3 AAC 110.540, which provides that:

- ◆ A petitioner may amend or withdraw the original petition at any time before the first mailing, publishing, or posting of notice of the Local Boundary Commission's hearing on the petition.
- ◆ An amending petition must contain the dated signatures of the same number of voters required for the original petition, and must include the dated signatures of at least a majority of the same voters who signed the original petition.
- ◆ A statement withdrawing a petition must contain the dated signatures of at least thirty percent of the voters residing in the area of the proposed change, and must include at least a majority of the same voters who signed the original petition.
- ◆ A petitioner may not amend or withdraw the original petition after the first mailing, publishing, or posting of notice of the Local Boundary Commission's hearing on the petition, except upon a clear showing to the Commission that the best interests of the state and of the population affected by the proposed change is best served by allowing the proposed amendment or withdrawal.

## Petitioners Request Delay in Proceedings

On May 14, 1999, DCRA staff received a letter from the Petitioners' Representative requesting until June 30, 1999 to submit an amended petition reflecting actions taken to resolve various concerns about specific aspects of the incorporation petition expressed by the Respondent MSB and DCRA. Such issues related to the following:

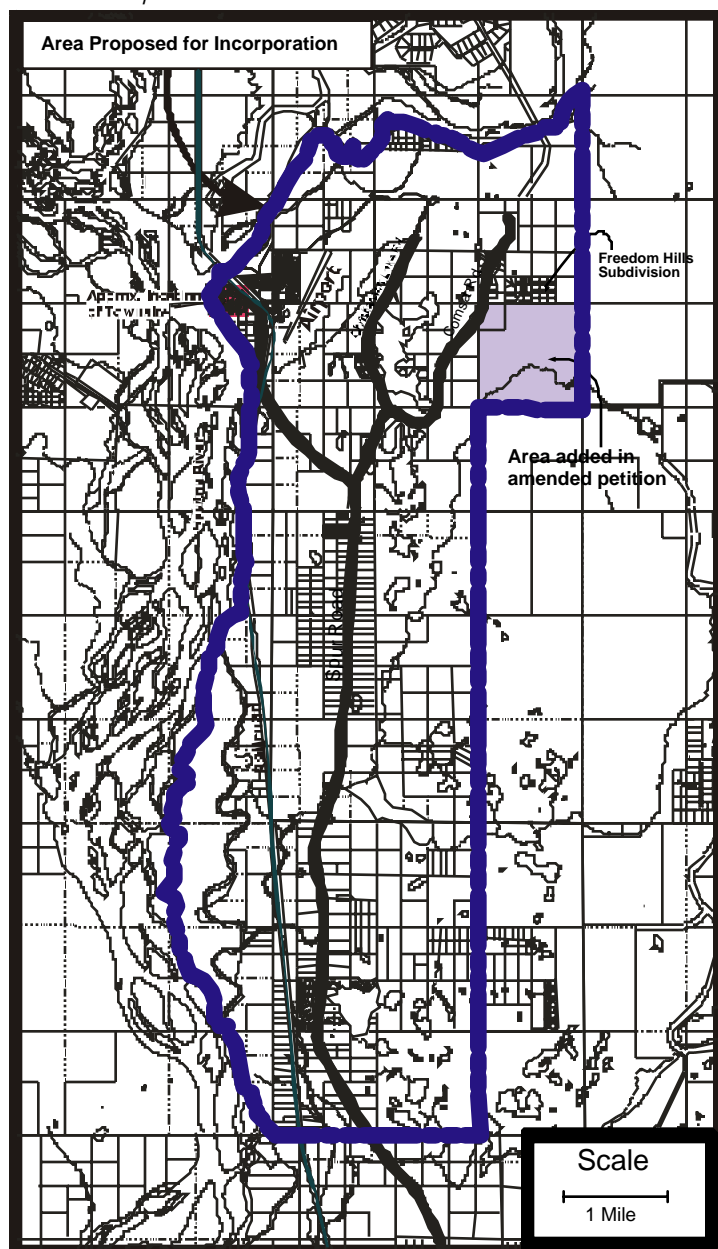
- ◆ transition of assumption of responsibility for delivery of nonareawide borough powers in the area proposed for incorporation;
- ◆ the responsibility for maintenance of the Freedom Hills access road after city incorporation;
- ◆ the effect upon service area mill rates if that portion of the Talkeetna Road Service area outside of the proposed City of Talkeetna boundaries were consolidated with another road service area or other road service areas;
- ◆ questions relating to the water and sewer service in the Talkeetna core area;
- ◆ updated assessed value of real property within the area proposed for incorporation;
- ◆ issues regarding borough collection and rebate of overnight accommodations taxes received from commercial lodging facilities in the area proposed for incorporation.

## Amended Petition Filed

On October 6, 1999, DCED received an amended petition for incorporation. Specific amendments to the March 25, 1998 petition included the following:

- ◆ offering the voters the option of a 4% seasonal sales tax or 2% year round sales tax;
- ◆ deletion of the proposed bed tax;
- ◆ provision for a part-time city manager, part-time city clerk/treasurer, full-time public works operator, and seasonal recreation director;

*Boundaries Proposed in Amended Petition*



- ◆ enlargement of the area proposed for incorporation to include one section (Section 28) to ensure that all existing and potential access routes to the Freedom Hills Subdivision are within the proposed city boundaries;
- ◆ provision for city management of the water and sewer system in the core area within eighteen months after incorporation;
- ◆ provision for city assumption of solid waste services within eighteen months after incorporation;
- ◆ provision of city assumption of library service within eighteen months after incorporation.

The amended petition was signed by fifty-three persons. The Division of Elections confirmed that the amended petition bore sufficient signatures from qualified voters residing in the area proposed for incorporation and sufficient signatures of Talkeetna voters who had signed the original petition.

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### **Amended Petition Accepted for Filing**

The amended petition was accepted for filing on March 17, 2000.

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### **Notice of Filing of Amended Petition Given**

Public notice of the filing of the petition was given in accordance with the requirements of 3 AAC 110.450. Specifically, notice was given as follows:

On March 20, 2000, notice was mailed to 136 interested parties.

On March 21, 2000, notice of the amended petition was published in the *Frontiersman*. The paper was requested to publish the notice for three consecutive weeks, as required by 3 AAC 110.450. However, due to an inadvertent failure of the *Frontiersman* to publish the notice of the amended petition three times as required, publication of the notice of the filing of the amended petition was repeated.

On May 10, 2000 notice was prominently posted in 8.5-inch by 11-inch format at four locations in Talkeetna; the Post Office bulletin board, Nagley's Store bulletin board, the Latitude 62 bulletin board, and the Talkeetna library. The notice remained posted at the locations noted for at least fourteen consecutive days from the date of posting.

On May 11, 2000, notice was mailed by DCRA to 140 agencies and individuals.

On May 19, May 26, and June 2, 2000, notice was published in the *Frontiersman* as display advertisements 2-columns wide by 6-inches long.

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### **Responsive Brief Filed on Amended Petition**

On July 21, 2000, the Respondent Matanuska-Susitna Borough filed a 13-page supplement to its reply brief, titled *Matanuska-Susitna Borough's Comments to Amended Petition to Incorporate the City of Talkeetna*.

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### **Petitioners' Reply Filed on Amended Petition**

On September 15, 2000, the Petitioners' Representatives filed a six-page reply to the Matanuska-Susitna Borough submission of July 21, 2000.

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### **Comments on Amended Petition**

Sixteen parties submitted timely comments regarding the amended petition:

1. Jean Hestnes - April 20, 2000 letter opposing the amended petition
2. Carl A. Hestnes - April 20, 2000 letter opposing the amended petition
3. Edna M. Hestnes - April 20, 2000 letter opposing the amended petition
4. Kristine Hestnes - April 20, 2000 letter opposing the amended petition
5. Eric Hestnes - April 20, 2000 letter opposing the amended petition
6. B. Long - May 8, 2000 letter opposing the amended petition
7. Susan Dolecki - May 15, 2000 letter opposing the amended petition
8. Betty Safford-Kjar - May 15, 2000 letter opposing the amended petition
9. Doug Smith - June 22, 2000 letter in support of the amended petition
10. Ellen Wolf - June 22, 2000 letter in support of the amended petition
11. Gene Jenne - July 11, 2000 letter opposing the amended petition
12. Constance M. Twigg - July 18, 2000 letter opposing the amended petition
13. Gretchen G. Grover & Scott A. MacDonald - July 20, 2000 letter opposing the amended petition
14. Francis L. Twig - July 21, 2000 letter opposing the amended petition
15. Vye Fuley - July 21, 2000 letter opposing the amended petition
16. Matanuska-Susitna Borough - July 21, 2000 supplemental responsive brief

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### **Third Informational Meeting**

On October 11, 2000, LBC staff conducted a third public informational meeting in Talkeetna regarding the proposed incorporation. The meeting began at 6:00 p.m. and concluded at 8:00 p.m. Seventeen people attended the October 11 meeting.

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## **Section 1.3 • Future Proceedings**

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### **Comments on Preliminary Report Regarding the Amended Petition**

The deadline for submission of written comments concerning this report is May 7, 2001.

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### **Final Report**

3 AAC 110.530 requires DCED to issue a final report after giving due consideration to comments on its provisional report. Occasionally, DCED's provisional reports to the LBC become final without modification. In such cases, a letter announcing the adoption of the provisional report is


issued by DCED as a final report. If substantive comments are received on DCED's provisional report or significant new developments occur, the final report is likely to be more extensive.

The DCED final report must be mailed to the Petitioners' Representative at least twenty-one days prior to the LBC's hearing on the matter.

## LBC Public Hearing(s)

The LBC's public hearing on the Talkeetna incorporation proposal has not yet been scheduled. Notice of the hearing will be published at least three times, with the initial publication occurring at least thirty days prior to the hearing. Notice of the Commission's hearing will also be posted in the area proposed for incorporation and mailed to interested parties.

In compliance with Title II of the Americans with Disabilities Act of 1990, DCED will make available auxiliary aids, services, and/or special modifications to individuals with disabilities who need such accommodations to participate at the hearing(s) concerning this matter. Persons needing such accommodations should contact LBC staff at 269-4500, or TDD 800 930-4555 at least one week prior to the hearing(s), to make necessary arrangements.



*Members*


*Kevin Waring*  
Chairperson  
At-Large

*Kathleen Wasserman*  
Vice-Chairperson  
First Judicial District

*Nancy Galstad*  
Member  
Second Judicial District

*Allan Tesche*  
Member  
Third Judicial District

*Ardith Lynch*  
Member  
Fourth Judicial District



## Agenda

### Talkeetna Incorporation Hearing

- I. Public hearing on the Talkeetna incorporation petition\*
  - A. Summary of DCED's report & recommendations
  - B. Opening statement by the Petitioner (limited to 10 minutes)
  - C. Opening statement by the Respondent (limited to 10 minutes)
  - D. Sworn testimony of witnesses called by the Petitioner
  - E. Sworn testimony of witnesses called by the Respondent
  - F. Sworn responsive testimony of witnesses called by the Petitioner
  - G. Period of public comment by interested persons (limited to 3 minutes per person)
  - H. Closing statement by the Petitioner (limited to 10 minutes)
  - I. Closing statement by the Respondent (limited to 10 minutes each)
  - J. Reply by the Petitioner (limited to 5 minutes)
- II. Decisional session (optional at time of hearing)

The LBC Chairperson will preside at the hearing, and may regulate the time and content of testimony to exclude irrelevant or repetitious testimony. The LBC may amend the order of proceedings and change allotted times for presentations if amendment of the agenda will promote efficiency without detracting from the LBC's ability to make an informed decision.

Upon request, and if local facilities permit, arrangements can be made to connect other communities to the hearing(s) by teleconference.

## Agenda

A draft agenda for a hearing on the Talkeetna incorporation proposal is shown at left. The Commission may amend the order of the hearing proceedings and change allotted times, if such will promote efficiency without detracting from the LBC's ability to make an informed decision. The LBC Chairperson will regulate the time and content of testimony to exclude irrelevant or repetitious testimony. A member of the Commission may question persons appearing for public comment or as a sworn witness. The Commission may also call additional witnesses.

No brief or other document may be filed at the time of the public hearing unless the Commission determines that good cause exists for that evidence not being presented in a timely manner for written response by the petitioners or respondents and for consideration in DCED's report and recommendation.

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### **LBC Decisional Meeting**

Within ninety days of the conclusion of the hearing, the LBC must convene a decisional session in accordance with former 3AAC 110.570. Often, the Commission will convene the decisional session immediately after the last hearing or within a few days of the last hearing. During the decisional meeting, no new evidence, testimony or briefing may be submitted. However, the LBC may ask its staff or others for a point of information or clarification.



*LBC conducting a recent hearing.*

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## **Section 1.4 • LBC Options**

The LBC may take any one of three alternative actions with respect to the petition. It may:

1. approve the petition as presented;
2. reject the petition; or
3. amend any aspect of the petition, including the boundaries, and approve the amended petition.

Within thirty days of its decision, the LBC must issue a written statement explaining all major considerations leading to its action. A copy of the statement will be provided to the Petitioners' Representative, all respondents and to other interested persons who request a copy. A decision of the LBC becomes final once the written statement of decision is mailed to the Petitioners' Representative, the respondents, and those who have requested a copy.

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### **Reconsideration**

Any party may ask the LBC to reconsider its decision in this matter. The provisions of 3 AAC 110.580 provide details concerning requests for reconsideration.

Request for reconsideration of the Commission's decision may be filed within twenty days after the decision becomes final. The LBC may also order reconsideration of all or part of its decision on its own motion.

Requests for reconsideration must describe, in detail, the facts and analyses that support the request for reconsideration. If the Commission takes no action on a request for reconsideration within thirty days after its decision becomes final, the request is automatically denied.

If the Commission grants a request for reconsideration, the parties opposing reconsideration may file responsive briefs for consideration by the Commission. Ten days are allotted for the filing of such briefs.

### **Judicial Appeal**

A decision of the LBC may be appealed to Superior Court. Judicial appeals must be filed within thirty days after the last day on which reconsideration may be ordered by the Commission. (Alaska Rules of Appellate Procedure, Rule 601 et seq.)

### **Incorporation Election**

If the LBC approves the Talkeetna incorporation petition, the State of Alaska will conduct an incorporation election. The LBC will notify the Division of Elections of the need to conduct the election once the opportunity to reconsider its decision has expired.

In accordance with AS 29.05.110(a), the Director of the State Division of Elections must order the incorporation election within thirty days of being notified by the LBC of the approval of the petition. Once the election order is issued, DCED will submit a request to the U.S. Justice Department to permit the incorporation and the election in the context of the Federal Voting Rights Act. That process typically requires a review of about sixty-five days. However, it is possible to seek expedited consideration. The election itself must be held not less than thirty or more than ninety days after the date of the election order.

The incorporation election will provide for the election of the initial city council consisting of six members and a mayor, all elected at large. The election order will specify the dates during which nomination petitions for election of the city council may be filed. Petitions to nominate initial officials of a home rule city must include the signature and resident address of fifty voters in the area of the proposed city.

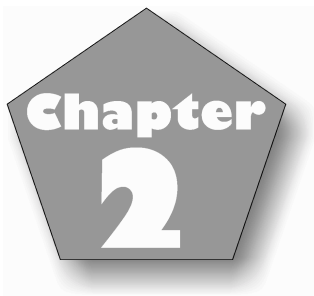
In addition to the proposition on incorporation and the election of the initial city council, the incorporation election, if required, will address any propositions to authorize the city to levy taxes.

Only individuals who have been resident registered voters in the area approved for incorporation for at least thirty days before the date of the election order may vote. The Division of Elections may conduct the election by mail.

Incorporation requires approval by a majority of those who vote on the question. Provided the voters approve incorporation and any requisite proposition authorizing the levy of taxes, incorporation takes effect upon certification of the election results. The initial city council takes office on the Monday following certification of the election.







## PROFILES OF TALKEETNA AND THE MATANUSKA-SUSITNA BOROUGH

### Section 2.1 • Profile of Talkeetna

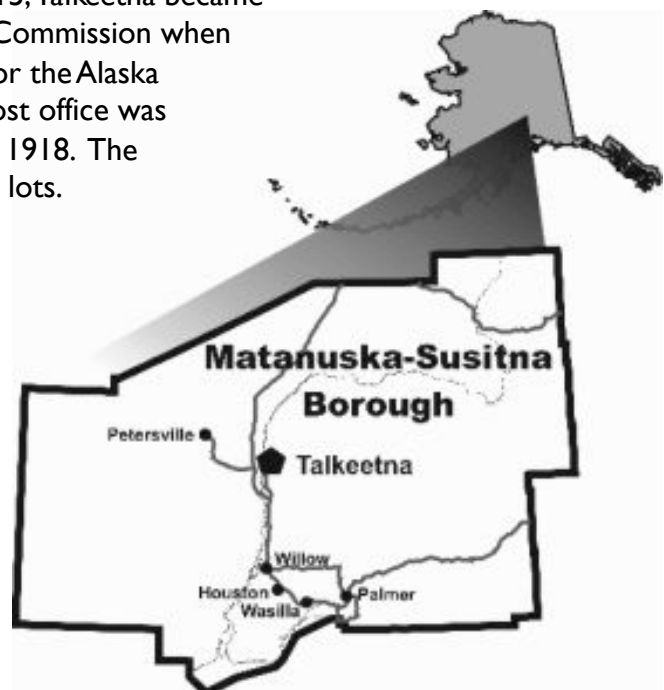
Talkeetna lies within the central portion of the Matanuska-Susitna Borough, about 125 road miles from Anchorage on Talkeetna Spur Road. The Talkeetna Spur road extends about 14 miles from the Parks Highway intersection at mile 226.7 of the Alaska Railroad. The nearest city government in the Matanuska-Susitna Borough is the second class City of Houston. Houston, Wasilla, and Palmer, are located, respectively, some 53 miles, 75 miles and 90 miles from Talkeetna<sup>4</sup>.

<sup>4</sup> Petitioners' estimate

### Section 2.2 • Talkeetna History

According to the MSB's 1998 Talkeetna Comprehensive Plan, the permanent settlement dates from 1909 when gold strikes in Cache Creek led to the establishment of the Alaska Commercial Company's Talkeetna Station trading post. In 1915, Talkeetna became district headquarters for the Alaska Engineering Commission when the Susitna River/Broad Pass route was chosen for the Alaska Railroad between Anchorage and Fairbanks. A post office was established in 1916 and the townsite surveyed in 1918. The Alaska Engineering Commission sold eighty town lots.

On April 3, 1981, a petition for incorporation of Talkeetna as a city of the first class was submitted. The petition proposed municipal boundaries encompassing 102 square miles. The Petitioners proposed a 2-mill property tax, which the Petitioners expected to generate \$43,434 in annual revenues. Powers proposed to be exercised by the city were fire service, road service, parks and recreation, landfill, and public safety.



Talkeetna Area Map

The Local Boundary Commission conducted a public hearing in Talkeetna on July 24, 1981. The Commission determined that the community:

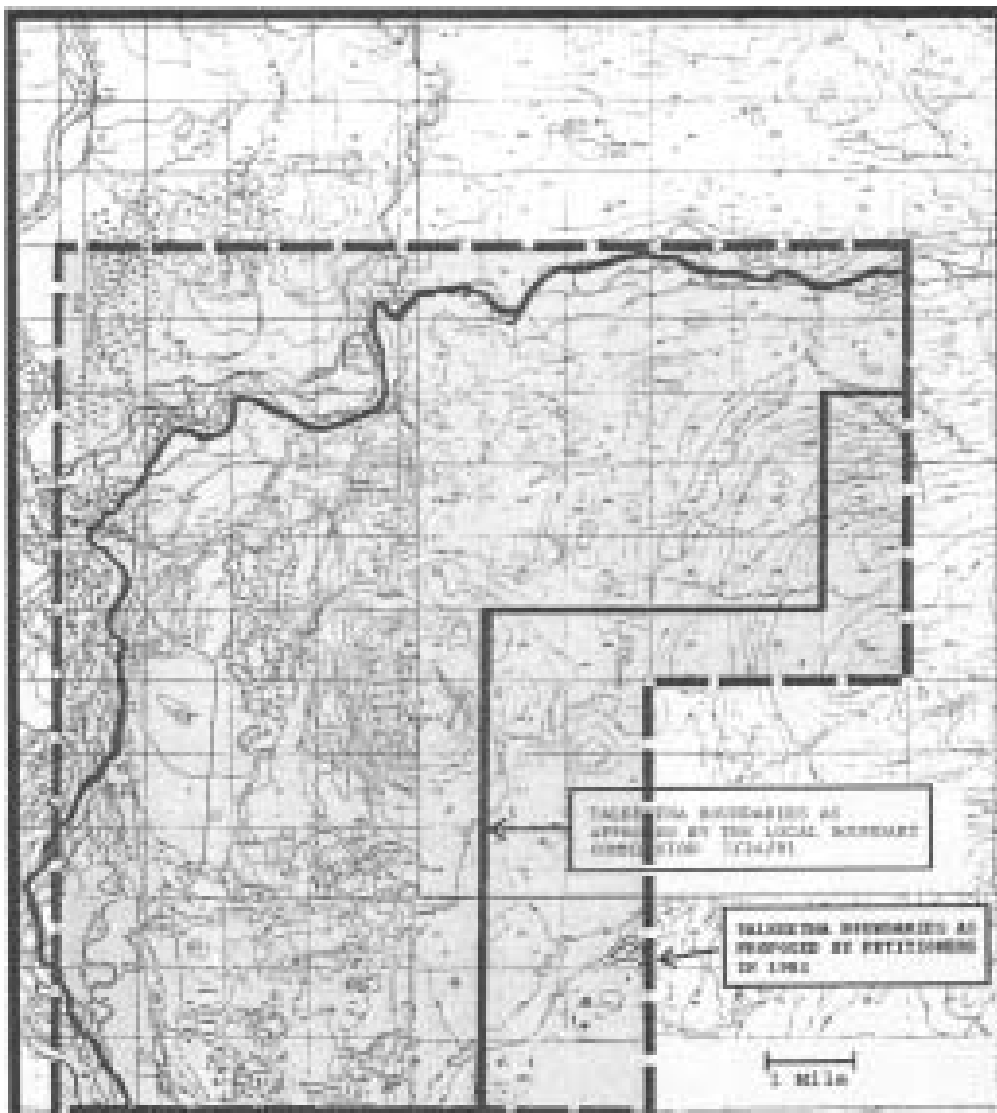
- ♦ had a population sufficiently large and stable to support city government and;
- ♦ human and financial resources adequate to support city government.

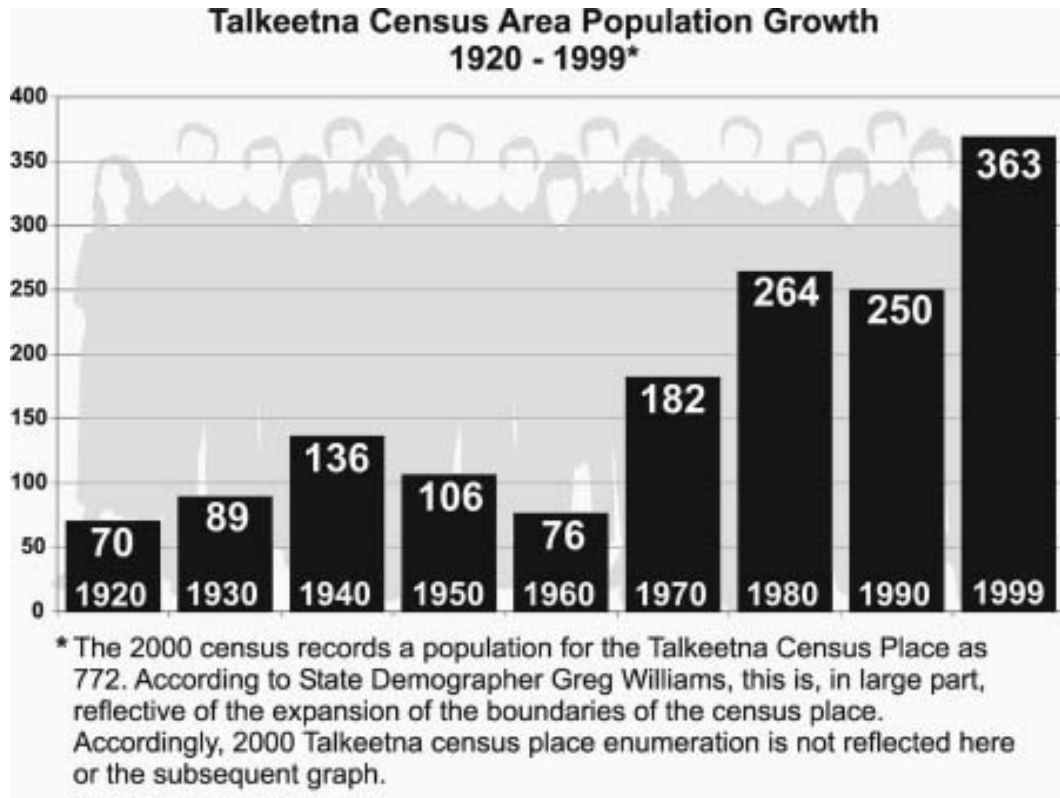
However, the Commission determined that the 102-square mile area within the boundaries of the proposed city was excessive because the municipal boundaries proposed by that petition encompassed areas that the Commission considered “*beyond the jurisdictional needs of the proposed city.*” (July 24, 1981 Statement of Decision, at 4.)

Accordingly, the Commission amended the petition to reduce the area proposed for incorporation to encompass sixty-five square miles and approved the amended petition.

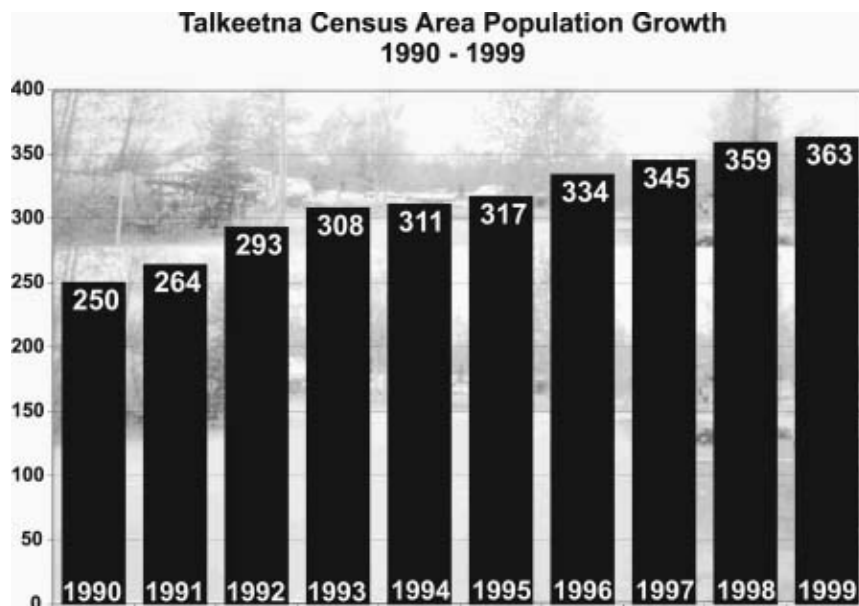
The amended petition was placed before voters in the community on November 17, 1981. At that election voters rejected the petition by a vote of 180-66.

*City of Talkeetna boundaries as proposed and as approved by the LBC before being rejected by local voters in 1981.*





### Section 2.3 • Talkeetna Population



Census records reflect the above population totals for the Talkeetna designated census place. The Talkeetna census place is much smaller than the area proposed for incorporation. In recent years, the population of the area proposed for incorporation has been more than twice that of the census area.

### Section 2.4 • Talkeetna Economy

Trade and service are the dominant sectors of Talkeetna's economy. Local transportation providers serve the tourism industry. Other important employment categories include the communication industry and government.

The 1990 census recorded 31% of those employed in Talkeetna as public sector employees.

## Section 2.5 • Proposed City of Talkeetna Budget

The Petitioners' projected operating budget in the amended petition anticipates first-year expenditures of \$310,450, an increase of 7.7% over the \$288,050 budget anticipated in the original petition. Anticipated first-year city revenues are projected by the Petitioners to total \$431,000, revised from \$316,000 proposed in the original petition, an increase of about 36%.

## Section 2.6 • Matanuska-Susitna Borough Profile

The MSB was incorporated as a general law second class borough in 1964. The MSB has a manager form of government. As noted, three cities are located within the Borough, the second-class City of Houston, the home rule City of Palmer, and the first class City of Wasilla.

The incorporation and original boundaries of the Matanuska-Susitna Borough were mandated by the State legislature. The MSB's initial boundaries were set to conform to the "Palmer-Wasilla-Talkeetna Election District #7" under the terms of Section 3 of Chapter 52, SLA 1963 (Mandatory Borough Act).

According to the MSB's web page, *"The Matanuska-Susitna Borough is situated within the heart of Southcentral Alaska, encompassing more than 24,000 square miles (about the size of the state of West Virginia). The Borough includes mountain ranges and valleys; glaciers, rivers, and lakes; wetlands, tundra, and boreal forest; farms, towns, suburban homes, and isolated cabins; and vast stretches of pristine wilderness. Its boundaries encompass the drainages of the Matanuska and Susitna Rivers, portions of the Alaska and Chugach mountain ranges with the tallest mountain in North America, Mount McKinley, just outside its northern borders and most of the Talkeetna and Clearwater ranges. The Municipality of Anchorage, Upper Cook Inlet, and Knik Arm delineate the Borough's southern border."*

The 1970 federal census enumerated 6,509 MSB residents. By 1980, the Borough's population had nearly tripled, to 17,816. The 1990 Borough census enumerated 39,638 MSB residents. The Borough's 1999 population totaled 55,694.<sup>5</sup>

**5** This figure was reported in the Alaska Department of Labor and Workforce Development's July, 2000 *Alaska Economic Trends*. For purposes of State Revenue Sharing, DCED used a July 1, 1999 figure of 57,288.

During the past decade, the MSB's population grew by about 40%, rendering it the fastest-growing census area in Alaska. The MSB's population grew at a rate of 3.8% annually versus Anchorage's 1.5% annual rate of growth. No other region of the state had a growth rate comparable to the MSB during that period. Stronger growth has led to the MSB becoming home to nine percent of the state's population versus seven percent in 1990. Although growth is underway in every part of the MSB, the Department of Labor and Workforce development has noted that *"Even Talkeetna, which is beyond any realistic daily commute, is experiencing robust growth."* (emphasis added)

The MSB's FY' 2001 budget authorizes expenditures of \$144,458,116. By far, the single largest expense of the MSB is areawide education (including debt service for school capital projects).

During FY 2001, \$105,147,980 has been budgeted for education operating funds, representing nearly 73% of the Borough's expenditures.

Areawide powers are exercised throughout the entire borough. Once a borough assumes an areawide power, no city government within that borough may exercise the power unless the borough ordinance provides otherwise or unless the borough ceases to exercise the power. The MSB has delegated certain of its areawide powers to cities. Exercise of some planning powers has been delegated to the City of Wasilla and the City of Palmer within the jurisdictions of those cities.

The MSB exercises the following powers on an areawide basis:

- ◆ education,
- ◆ planning, platting, land use regulation,
- ◆ emergency medical services,
- ◆ assessment and collection of property taxes,
- ◆ transient accommodations taxation (bed taxes),
- ◆ parks and recreation,
- ◆ air pollution control,
- ◆ day care facilities,
- ◆ historic preservation, and
- ◆ port development.

The Borough's FY 2000 property tax levy for areawide services was 11.94 mills. The FY 2000 property tax levy for nonareawide services was 0.35 mills, for a combined areawide and nonareawide tax rate of 12.29 mills.

<b>AREAWIDE AND NON-AREAWIDE MSB TAX RATES</b>	
Areawide	11.94 mills
Non-Areawide	0.35 mills
Total	12.29 mills

The MSB's nonareawide (exercised outside cities) services and powers consist of:

- ◆ solid waste disposal,
- ◆ libraries,
- ◆ animal control,
- ◆ regulation of fireworks,
- ◆ water pollution control,
- ◆ septic tank waste disposal,
- ◆ economic development,
- ◆ regulation of motor vehicles and operators,
- ◆ regulation of snowmobiles,
- ◆ regulation of obscene nude dancing and public displays of nudity,
- ◆ limited health and social services authority, and
- ◆ authority to establish natural gas and electric local improvement districts.

The Matanuska-Susitna Borough has twenty-eight service areas. In the area proposed for city incorporation, the Borough has separate service areas for flood control, fire protection, roads, sewer, and water. The FY 2000 rates associated with service areas encompassing the area proposed for incorporation of the City of Talkeetna were as follows:

SERVICE AREA PROPERTY TAX	RATE
Flood	1.00 mills
Fire	1.70 mills
Roads	2.67 mills
Sewer/Water	-0-
Total	5.37 mills

The 1999 value of taxable real and personal property in the Matanuska-Susitna Borough was \$2,972,294,000 according to *Alaska Taxable, 1999*. More than 90% of the taxable property was comprised of real property. The per capita revenue generated by the MSB property tax was \$666 for 1999.

According the Alaska Department of Labor and Workforce Development, "As long as Southcentral's economy expands, the Mat-Su Borough is unlikely to relinquish its role as one of the stronger performers in the state. If the present trend continues, the Mat-Su Borough could become the second most populous area in the state by the year 2018."

Talkeetna Fire Service Area

